

*This short form prospectus is a base shelf prospectus. This short form prospectus has been filed under legislation in each of the provinces of British Columbia, Alberta and Ontario and the territory of the Yukon, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Tectonic Metals Inc. at Suite 312, 744 West Hastings Street, Vancouver, British Columbia V6C 1A5, Canada, telephone: (604)283-3291, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

*The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution.”*

## SHORT FORM BASE SHELF PROSPECTUS

*New Issue*

**May 29, 2020**

TECTONIC METALS INC.



**\$100,000,000**

**Common Shares**

**Warrants to Purchase Common Shares or Debt Securities**

**Share Purchase Contracts**

**Subscription Receipts**

**Debt Securities**

**Units**

This prospectus relates to the offering for sale from time to time, during the 25-month period that this prospectus, including any amendments hereto, remains effective, of the securities of Tectonic Metals Inc. (the “**Company**” or “**Tectonic**”) listed above in one or more series, issuances or sales of outstanding securities, with a total offering price of such securities, in the aggregate, of up to \$100,000,000 (or the equivalent thereof in one or more foreign currencies or composite currencies). The securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and set forth in an accompanying prospectus supplement.

The common shares of the Company (the “**Common Shares**”) are listed for trading on the TSX Venture Exchange (the “**TSXV**”) under the trading symbol “TECT”. On May 28, 2020, being the last trading day prior to the date hereof, the closing price of the Common Shares on the TSXV was \$0.29. Unless otherwise specified in an applicable prospectus supplement, warrants to purchase Common Shares and/or Debt Securities (as defined herein) (“**Warrants**”), Share Purchase Contracts (as defined herein), subscription receipts exercisable for equity securities and/or other securities of the Company (“**Subscription Receipts**”), secured or unsecured debt securities of the Company (“**Debt Securities**”), and units comprised of some or all of the other securities described above (“**Units**”, and together with the Common Shares, Warrants, Share Purchase Contracts, Subscription Receipts and Debt Securities, the “**Securities**”), will not

be listed on any securities or stock exchange or on any automated dealer quotation system. **There is currently no market through which our Securities, other than our Common Shares, may be sold and purchasers may not be able to resell such Securities purchased under this short form prospectus. This may affect the pricing of our Securities, other than our Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these Securities and the extent of issuer regulation. See “Risk Factors”.**

**No underwriter or agent has been involved in the preparation of this prospectus or performed any review of the contents of this prospectus.**

All applicable information permitted under securities legislation to be omitted from this prospectus that has been so omitted will be contained in one or more prospectus supplements that will be delivered to purchasers together with this prospectus. Each prospectus supplement will be incorporated by reference into this prospectus for the purposes of securities legislation as of the date of the prospectus supplement and only for the purposes of the distribution of the Securities to which the prospectus supplement pertains. You should read this prospectus and any applicable prospectus supplement carefully before you invest in any Securities issued pursuant to this prospectus. Tectonic’s securities may be sold pursuant to this prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by the Company from time to time, or by the Company directly pursuant to applicable statutory exemptions. In connection with any underwritten offering of securities, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered. Such transactions, if commenced, may discontinue at any time. See “*Plan of Distribution*”. A prospectus supplement will set out the names of any underwriters, dealers or agents involved in the sale of our Securities, the amounts, if any, to be purchased by underwriters, the plan of distribution for such Securities, including the anticipated net proceeds to the Company from the sale of such Securities, the amounts and prices at which such securities are sold and, if applicable, the compensation of such underwriters, dealers or agents.

**Investment in the Securities being offered is highly speculative and involves significant risks that you should consider before purchasing such Securities. You should carefully review the risks outlined in this prospectus (including any prospectus supplement) and in the documents incorporated by reference as well as the information under the heading “*Cautionary Note Regarding Forward-Looking Statements*” and consider such risks and information in connection with an investment in the securities. See “Risk Factors”.**

The Company’s head office is located at Suite 312, 744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5 and its registered office is located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3.

Curt Freeman, director of the Company, resides outside of Canada and has appointed the Company as the agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See “*Agent for Service of Process*”.

Each of Carl Schulze and Eric Buitenhuis is a person named as having prepared or certified a report or statement which is referenced in this prospectus or in a document incorporated by reference (see “*Interest of Experts*” below).

Investors should rely only on the information contained in or incorporated by reference into this prospectus and any applicable prospectus supplement. We have not authorized anyone to provide investors with different information. Information contained on our website shall not be deemed to be a part of this prospectus (including any applicable prospectus supplement) or incorporated by reference and should not be relied upon by prospective investors for the purpose of determining whether to invest in the Securities. We will not make an offer of these Securities in any jurisdiction where the offer or sale is not permitted. Investors should not assume that the information contained in this prospectus is accurate as of any date other than the date on the face page of this prospectus, the date of any applicable prospectus supplement, or the date of any documents incorporated by reference herein.

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## ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this prospectus or any applicable prospectus supplement. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer to sell or seeking an offer to buy the Securities offered pursuant to this prospectus in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus or any applicable prospectus supplement is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this prospectus or any applicable prospectus supplement or of any sale of our Securities pursuant thereto. Our business, financial condition, results of operations and prospects may have changed since those dates.

Market data and certain industry forecasts used in this prospectus or any applicable prospectus supplement and the documents incorporated by reference in this prospectus or any applicable prospectus supplement were obtained from market research, publicly available information and industry publications. We believe that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. We have not independently verified such information, and we do not make any representation as to the accuracy of such information.

In this prospectus and any prospectus supplement, unless otherwise indicated, all dollar amounts and references to “U.S.\$” or “US\$” are to U.S. dollars and references to “\$” are to Canadian dollars. See “*Exchange Rate Information*”.

In this prospectus and in any prospectus supplement, unless the context otherwise requires, references to “we”, “us”, “our” or similar terms, as well as references to “Tectonic” or the “Company”, refer to Tectonic Metals Inc. together with our subsidiaries.

## CAUTIONARY NOTE TO UNITED STATES INVESTORS

Technical disclosure regarding our properties included herein, and in the documents incorporated herein by reference has not been prepared in accordance with the requirements of United States (“U.S.”) securities laws. Without limiting the foregoing, such technical disclosure uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in the technical disclosure have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System.

Canadian standards, including NI 43-101, differ significantly from the requirements of the Securities and Exchange Commission (the “**SEC**”), and mineral reserve and resource information contained or incorporated by reference in this prospectus and any prospectus supplement may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term “resource” does not equate to the term “reserves”. Under U.S. standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made and volumes that are not “reserves” should not be disclosed. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards. Accordingly, mineral reserves estimates included herein and in the documents incorporated herein by reference may not qualify as “reserves” under SEC standards. The SEC’s disclosure standards normally do not permit the inclusion of information concerning “measured mineral resources”, “indicated mineral resources” or “inferred mineral resources” or other descriptions of the amount of mineralization in mineral deposits that do not constitute “reserves” by U.S. standards in documents filed with the SEC.

U.S. investors should also understand that “inferred mineral resources” have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an “inferred mineral resource” will ever be upgraded to a higher category. Under Canadian rules, estimated “inferred mineral resources” may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an “inferred mineral resource” exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in-place tonnage and grade without reference to unit measures. In addition, the definitions of “proven mineral reserves”

and “probable mineral reserves” under reporting standards in Canada differ in certain respects from the standards of the SEC. Accordingly, information concerning mineral deposits set forth herein and in the documents incorporated herein by reference may not be comparable with information made public by companies that report in accordance with U.S. standards.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference herein contain forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, “**forward-looking statements**”), which reflect management's expectations regarding the Company's future growth, results from operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as “predicts”, “projects”, “targets”, “plans”, “expects”, “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipate” or “does not anticipate”, “believe”, “intend” and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements.

These forward-looking statements include, among other things, statements relating to:

- the escrow agreement among the Company, certain escrowed shareholders and Computershare Investor Services Inc., as escrow agent, dated November 8, 2019, and the escrow of the certain securities held thereunder;
- the Material Properties (as defined herein) and the Company's planned and future exploration on the Material Properties and its other mineral properties;
- the Company's goals regarding development of its projects, and regarding raising capital and conducting further exploration and developments of its properties;
- the Company's future business plans;
- expectations generally regarding the ability to raise further capital for corporate purposes;
- the market price of gold;
- expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations;
- the ability to retain and/or maintain any require permits, licenses or other necessary approvals for the exploration or development of its Material Properties and other mineral properties;
- government regulation of mineral exploration and development operations in Alaska;
- the Company's expected reliance on key management personnel, advisors and consultants; and
- the volatility of global financial markets.

Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this prospectus including, without limitation, the following:

- the ability to raise any necessary additional capital on reasonable terms to advance exploration and development of the Material Properties;
- future prices of gold and other metal prices;
- the timing and results of exploration and drilling programs;
- the demand for, and stable or improving price of gold;
- general business and economic conditions will not change in a material adverse manner;
- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the geology of the Material Properties as described in the Technical Reports (as defined herein);
- the accuracy of budgeted exploration and development costs and expenditures;
- future currency exchange rates and interest rates;
- operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel and directors;

- political and regulatory stability;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms;
- obtaining required renewals for existing approvals, licenses and permits on favourable terms;
- requirements under applicable laws;
- sustained labour stability; stability in financial and capital goods markets; and
- availability of equipment.

While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks, uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking statements. Many assumptions are based on factors and events that are not within our control and there is no assurance they will prove to be correct.

Furthermore, such forward-looking statements involve a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements. Such risks include, without limitation:

- the Company may fail to find a commercially viable deposit on any of its properties;
- there are no mineral reserves on any of the properties in which the Company has an interest;
- mineral exploration and development are inherently risky;
- the mineral exploration industry is intensely competitive;
- additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company;
- the Company may not be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business;
- the Company's exploration and development activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted;
- the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations;
- there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned;
- compliance with environmental regulations can be costly;
- social and environmental activism can negatively impact exploration, development and mining activities;
- the success of the Company is largely dependent on the performance of its directors and officers;
- the volatility of global capital markets over the past several years has generally made the raising of capital more difficult;
- the Company is exposed to the financial risk related to the fluctuation of foreign exchange rates;
- the Company's operations may be adversely affected by First Nations land claims;
- the Company and/or its directors and officers may be subject to a variety of other legal proceedings, the results of which may have a material adverse effect on the Company's business;
- the Company may be adversely affected if potential conflicts of interests involving its directors and officers that are not resolved in favour of the Company;
- the Company's future profitability may depend upon the world market prices of gold;
- investors may lose their entire investment;
- if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company's business, the price and trading volume of the Common Shares (as defined herein) could decline;
- the Common Shares may be subject to significant price volatility;
- dilution from future equity financing could negatively impact holders of Common Shares;
- failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business;
- the Company's exploration activities and business in general may be adversely impacted by the COVID-19 coronavirus outbreak;
- it may be difficult for investors to enforce within Canada any judgments obtained against the Company or its officers or directors, given that all of the Company's material assets are located outside of Canada;
- the Company is subject to various risks associated with climate change;

- if the Company fails to make payments or expenditures required in connection with material contract obligations, it may lose its interest in one or more of the Material Properties;
- risks related to the decrease of the market price of the Common Shares if the Company's shareholders sell substantial amounts of Common Shares;
- risks related to future sales or issuances of equity securities diluting voting power and reducing future earnings per share;
- risks related to dilution to existing shareholders if warrants are exercised;
- the history of the Company with respect to not paying dividends and anticipation of not paying dividends in the foreseeable future;
- the absence of a market through which the Securities, other than Common Shares, may be sold;
- risks related to the Debt Securities, including those related to the Debt Securities being unsecured and/or payable in foreign currencies; and
- risks related to the Company's use of proceeds from the sale of its securities.

Although we have attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended, including without limitation, those referred to in this prospectus under the heading "*Risk Factors*" and documents incorporated by reference herein. Readers are cautioned that the foregoing lists of important assumptions and risks, uncertainties and other factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements. Forward-looking statements contained herein are made as of the date of this prospectus and we disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this prospectus from documents filed with the securities commissions or similar authorities in Canada.**

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Tectonic at Suite 312, 744 West Hastings Street, Vancouver, British Columbia V6C 1A5, Canada, telephone: (604) 283-3291 or by accessing the disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**"), at [www.sedar.com](http://www.sedar.com).

The following documents, filed with the securities commissions or similar regulatory authorities in certain provinces of Canada are specifically incorporated by reference into, and form an integral part of, this prospectus:

- our annual information form for the fiscal year ended December 31, 2019, dated as of April 13, 2020 (the "**AIF**");
- our audited annual consolidated financial statements for the years ended December 31, 2019 and 2018, together with the notes thereto and the auditor's reports therein;
- our management's discussion and analysis of our financial condition and results of operations for the year ended December 31, 2019 (the "**Annual MD&A**");
- our unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2020 and 2019;
- our management's discussion and analysis of the financial condition and results of operations for the three months ended March 31, 2020;
- our material change report dated April 20, 2020, announcing the closing of Doyon Ltd.'s ("**Doyon**") strategic investment in the Company of US\$1,500,000 (the "**Doyon Investment**"); and

- our management information circular dated as at April 16, 2020, distributed in connection with our annual general meeting of shareholders to be held on May 21, 2020.

Any documents of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* filed by the Company with a securities commission or similar authority in any province of Canada subsequent to the date of this prospectus and prior to the expiry of this prospectus, or the completion of the issuance of securities pursuant hereto, will be deemed to be incorporated by reference into this prospectus.

Any template version of any “marketing materials” (as such term is defined in NI 44-101) filed by the Company after the date of a prospectus supplement and before the termination of the distribution of the Securities offered pursuant to such prospectus supplement (together with this prospectus) is deemed to be incorporated by reference in such prospectus supplement.

A prospectus supplement containing the specific terms of any offering of our Securities will be delivered to purchasers of our Securities together with this prospectus and will be deemed to be incorporated by reference in this prospectus as of the date of the prospectus supplement and only for the purposes of the offering of our Securities to which that prospectus supplement pertains.

**Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein, in any prospectus supplement hereto or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an omission to state a material fact that is required to be stated or is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.**

Upon our filing of a new annual information form and the related annual financial statements and management’s discussion and analysis with applicable securities regulatory authorities during the currency of this prospectus, the previous annual information form, the previous annual financial statements and management’s discussion and analysis and all interim financial statements, supplemental information, material change reports and information circulars filed prior to the commencement of our financial year in which the new annual information form is filed will be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of our securities under this prospectus. Upon interim consolidated financial statements and the accompanying management’s discussion and analysis being filed by us with the applicable securities regulatory authorities during the duration of this prospectus, all interim consolidated financial statements and the accompanying management’s discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of Securities under this prospectus.

References to our website in any documents that are incorporated by reference into this prospectus do not incorporate by reference the information on such website into this prospectus, and we disclaim any such incorporation by reference.

## **FINANCIAL AND EXCHANGE RATE INFORMATION**

The Company presents its financial statements in Canadian dollars. The audited annual consolidated financial statements of the Company for the years ended December 31, 2019 and 2018, and the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019, have been prepared in accordance with International Financial Reporting Standards.

The following table sets forth, for each period indicated, the exchange rate of the Canadian dollar to the US dollar at the end of such period and the average, high and low exchange rates for such period (such rates, which are expressed in Canadian dollars, are based on the daily exchange rate for US dollars reported by the Bank of Canada).

	Year Ended December 31,		Three Months Ended March 31	
	2019 (\$)	2018 (\$)	2020 (\$)	2019 (\$)
Average rate of period	1.3369	1.2957	1.3449	1.3295
Rate at end of period	1.2988	1.3642	1.4187	1.3337
High for period	1.3600	1.3642	1.4496	1.3600
Low for period	1.2988	1.2288	1.2970	1.3095

On May 28, 2020, the last business day before the date of this prospectus, the Bank of Canada daily exchange rate for the purchase of one Canadian dollar using US dollars was US\$0.7265 (US\$1.00 = \$1.3764).

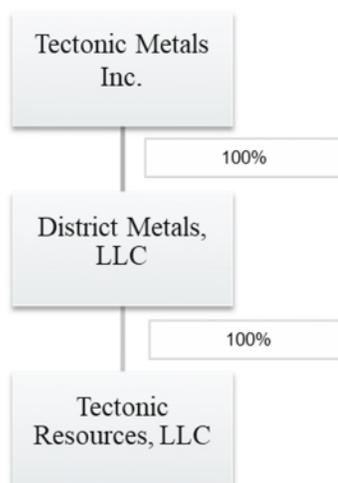
## THE COMPANY

*The following description of the Company is, in some instances, derived from selected information about us contained in the documents incorporated by reference into this prospectus. This description does not contain all of the information about us and our properties and business that you should consider before investing in any Securities. You should carefully read this entire prospectus and the applicable prospectus supplement, including the section titled “Risk Factors” that immediately follows this description of the Company, as well as the documents incorporated by reference into this prospectus and the applicable prospectus supplement, before making an investment decision.*

### Name, Address and Incorporation

Tectonic was incorporated under the British Columbia Business Corporations Act as 1114436 B.C. Ltd. on April 7, 2017. By notice of alteration effective August 3, 2017, the Company’s name was changed to Tectonic Metals Inc. The Company’s head office is located at Suite 312, 744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5 and its registered office is located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3.

The Company has the following subsidiaries, each of which is directly wholly-owned: (i) Tectonic Resources, LLC (“**Tectonic Resources**”), a limited liability company incorporated under the laws of the State of Alaska; and (ii) District Metals, LLC (“**District Metals**” and, together with Tectonic Resources, the “**Subsidiaries**”), a limited liability company incorporated under the laws of the State of Alaska.



### Business of the Company

Tectonic is a mineral exploration company involved directly, and indirectly through its Subsidiaries, in the identification, acquisition and exploration of mineral properties primarily in the State of Alaska. Tectonic was incorporated in British Columbia on April 7, 2017.

The Company has two wholly-owned subsidiaries, Tectonic Resources and District Metals, both of which are located in Alaska and hold the majority of the mineral interests in the Material Properties.

The Company's exploration is focused on discovering and delineating gold resources. The Company has two material properties:

- the property including 169 claims covering an area of 5,457.5 ha, in east-central Alaska, leased to Tectonic pursuant to a mining lease and option agreement (the "**Tibbs Agreement**") dated June 15, 2017 between Tectonic and Tibbs Creek Gold, LLC, the optionor under the Tibbs Agreement (the "**Tibbs Property**"); and
- the property owned by Doyon and located in east-central Alaska, extending from 27 to 70 km northwest of the village of Eagle, covering an area of approximately 60,654 ha, granted to Tectonic pursuant to the mining lease agreement dated June 1, 2018 between the Company and Doyon (the "**Seventymile Property**", and together with the Tibbs Property, the "**Material Properties**"),

at present, neither of the Material Properties have any known mineral resources or reserves.

Since incorporation, the Company has taken the following steps in developing its business: (i) identified and acquired mineral properties with sufficient merit to warrant exploration; (ii) raised funds to progress the Company's exploration activities on its Material Properties, as described herein; (iii) completed NI 43-101 compliant technical reports on each Material Property; (iv) completed the private placement offering of 16,621,988 special warrants of the Company at a price of \$0.35 per special warrant, over two tranches, for aggregate gross proceeds of \$5,817,695; and (v) recruited directors, officers and employees with the skills required to operate a junior public mineral exploration property.

On November 18, 2019, the Common Shares began trading on the TSXV under the stock symbol "TECT".

For additional information with respect to the Company's business, operations and financial condition, refer to its AIF and Annual MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com).

## RECENT DEVELOPMENTS

On April 17, 2020, Doyon, pursuant to the Doyon Investment, purchased 10,473,000 units of the Company (the "**Doyon Units**") at a price of \$0.20 per Doyon Unit, for aggregate gross proceeds of \$2,094,600 (or US\$1,500,000). Each Doyon Unit is comprised of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "**Doyon Warrant**"). Each Doyon Warrant can be exercised into one Common Share at an exercise price of \$0.40 per Common Share until April 17, 2022. The Doyon Warrants are subject to an acceleration clause whereby if the volume-weighted average trading price of the Common Shares on the TSXV is \$0.56 or greater for a period of ten (10) consecutive trading days (whether or not trading occurs on all such dates), Tectonic has the right to accelerate the expiry date of the Warrants to thirty (30) days from the date of the issuance by Tectonic of a news release announcing the accelerated exercise period. As a result of the Doyon Investment, Doyon is Tectonic's largest single shareholder holding (i) 10,473,000 Common Shares representing approximately 16.1% of Tectonic's outstanding Common Shares and (ii) Doyon Warrants to acquire 5,236,500 Common Shares. Subject to certain shareholder approvals, if Doyon is to exercise all of its Doyon Warrants, Doyon would own 15,709,500 Common Shares representing approximately 22.3% of Tectonic's issued and outstanding Common Shares. In connection with its investment, Doyon has agreed not to exercise any Doyon Warrants if as a result of such exercise it causes Doyon to hold more than 19.99% of the total outstanding Common Shares, together with all other Common Shares, directly or indirectly, beneficially owned by Doyon, at such time, unless and until the shareholders of the Company have passed a resolution approving such exercise of Doyon Warrants and the creation of a "Control Person" as defined in and in accordance with the applicable rules and policies of the TSXV.

## **RISK FACTORS**

*Investing in our Securities involves a high degree of risk. In addition to the other information included or incorporated by reference in this prospectus or any applicable prospectus supplement, you should carefully consider the risks described below before purchasing our securities. If any of the following risks actually occur, our business, financial condition, results of operations and prospects could materially suffer. As a result, the trading price of our securities, including our Common Shares, could decline, and you might lose all or part of your investment. The risks set out below are not the only risks we face; risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, results of operations and prospects. You should also refer to the other information set forth or incorporated by reference in this prospectus or any applicable prospectus supplement, including our consolidated financial statements and related notes and our AIF. Before investing, prospective purchasers of Securities should carefully consider the information contained or incorporated by reference in this prospectus.*

### **Risks Related to the Securities of the Company**

#### ***Price Volatility of Publicly Traded Securities***

The Company's Common Shares are listed on the TSXV. Securities of microcap and small cap companies, particularly mineral exploration and development companies, have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries.

The price of the Securities is also likely to be significantly affected by short-term changes in gold or other mineral prices or in our financial condition or results of operations. Other factors unrelated to our performance that may affect the price of the Securities include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Securities may affect an investor's ability to trade significant numbers of Securities; the size of our public float may limit the ability of some institutions to invest in the Securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares to be delisted from the TSXV, or any exchange the Common Shares are trading on, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

#### ***Speculative Nature of Investment Risk***

An investment in the Securities carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. An investment in the Securities may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

#### ***Dilution***

Future sales or issuances of debt or equity securities could decrease the value of the Securities, dilute shareholders' voting power and reduce future potential earnings per Security. Tectonic may sell additional debt or equity securities in subsequent offerings (including through the sale of securities convertible into Securities) and may issue additional debt or equity securities to finance operations, development, exploration, acquisitions or other projects. Our significant shareholders may also sell the Securities they hold or may hold in the future, including to this prospectus.

Tectonic cannot predict the size of future sales and issuances of debt or equity securities or the effect, if any, that future sales and issuances of debt or equity securities will have on the market price of the Common Shares and other Securities. Sales or issuances of a substantial number of debt or equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for Common Shares and other Securities. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in earnings per share. Sales of our Securities by shareholders might also make it more difficult for us to sell debt or equity securities at a time and price that we deem appropriate.

#### ***Dilution from Exercise of Outstanding Warrants***

The Company has warrants issued, representing a right to receive Common Shares upon their exercise. The exercise of the warrants and the subsequent resale of such Common Shares in the public market could adversely affect the prevailing market price and the Company's ability to raise equity capital in the future at a time and price which deems it appropriate. The Company may also enter into commitments in the future which would require the issuance of additional Common Shares. Any Common Share issuances from the Company's treasury will result in immediate dilution to existing shareholders' percentage interest in the Company.

#### ***Securities or Industry Analysts***

The trading market for the Securities could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

#### ***The Company has never paid dividends and does not expect to do so in the foreseeable future***

The Company has not paid any dividends since incorporation and it has no plans to pay dividends in the foreseeable future. The Company's directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. See "Dividend Policy".

#### ***The Company has discretion in the use of the net proceeds from an offering***

While detailed information regarding the use of proceeds from the sale of our Securities will be described in the applicable prospectus supplement, the Company will have broad discretion in the actual application of the net proceeds. The Company may elect to allocate the net proceeds differently from that described in the applicable prospectus supplement if the Company believes it would be in the Company's best interests to do so. The Company's investors may not agree with the manner in which the Company chooses to allocate and spend the net proceeds from an offering. We may pursue acquisitions, collaborations or other opportunities that do not result in an increase in the market value of our Securities, including the market value of our Common Shares, and that may increase our losses. The failure by the Company to apply these funds effectively could have a material adverse effect on the business of the Company.

#### ***There is an absence of a public market for certain of the Securities***

There is no public market for the Securities, other than the Common Shares and, unless otherwise specified in the applicable prospectus supplement, the Company does not intend to apply for listing of the Securities, other than the listing of additional Common Shares sold thereunder, on any securities exchanges. If the Securities, other than the Common Shares, are traded after their initial issuance, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and our financial condition. There can be no assurance as to the liquidity of the trading market for the Securities, or that a trading market for the Securities, other than the Common Shares, will develop at all.

*Changes in interest rates may cause the market price or value of the Debt Securities to decline*

Prevailing interest rates will affect the market price or value of the Debt Securities. The market price or value of the Debt Securities may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

*Fluctuations in foreign currency markets may cause the value of the Debt Securities to decline*

Debt Securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential liquidity in the secondary market. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable prospectus supplement.

*Unsecured Debt Securities*

Unless otherwise indicated in the applicable prospectus supplement, the Debt Securities will be unsecured and will rank equally in right of payment with all of our other existing and future unsecured debt. The Debt Securities will be effectively subordinated to all of our existing and future secured debt to the extent of the assets securing such debt. If we are involved in any bankruptcy, dissolution, liquidation or reorganization, the secured debt holders would, to the extent of the value of the assets securing the secured debt, be paid before the holders of unsecured Debt Securities, including the Debt Securities. In that event, a holder of Debt Securities may not be able to recover any principal or interest due to it under the Debt Securities. See “*Description of Debt Securities*”.

*Liquidity of Common Shares and TSXV Listing*

Shareholders of the Company may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the TSXV or achieve listing on any other public listing exchange.

In addition, in the future, the Securities may fail to meet the continued listing requirements to be listed on the TSXV. If the TSXV delists the Securities from trading on its exchange, the Company could face significant material adverse consequences, including: a limited availability of market quotations for the Securities; a determination the Securities are a “penny stock” which will require brokers trading in the Securities to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the Securities; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

## USE OF PROCEEDS

On November 8, 2019, the Company filed its final long form non-offering prospectus (the “**Listing Prospectus**”) pursuant to which the Common Shares were listed on the TSXV. The Listing Prospectus qualified for distribution the Common Shares issuable for no additional consideration upon the exercise of deemed exercise of special warrants of the Company (the “**Special Warrants**”). The Special Warrants were issued by the Company over two tranches closing July 12, 2019 and September 26, 2019 (the “**Special Warrant Financing**”), for aggregate gross proceeds of \$5,817,695.80. The Listing Prospectus disclosed how the Company intended to use the net proceeds from the Special Warrant Financing, along with available working capital equaling \$2,913,500 (together, the “**Proceeds**”) for the 12 months following October 1, 2019. As of the date of this prospectus, there has been no material change in how the Company has used the Proceeds or how the Company intends to use the remainder of the Proceeds from what was set out in the Listing Prospectus.

The Company’s primary business is the identification, acquisition, exploration and development of mineral properties, with a focus on discovering and delineating mineral resources through to production. The Company, as part of its acquisition strategy, routinely identifies, approaches and enters into non-binding agreements with the owners of mineral properties, which it may consider acquiring over the next 25 months. In order to effectively act on these properties, the Company will need significant access to cash. While no firm commitments have been made or entered into, in the next 25 months, the Company may aggressively execute on its acquisition strategy to acquire mineral properties. To do so, the Company will need significant access to capital and may use proceeds under this prospectus and any applicable prospectus supplement to finance such acquisitions.

As at the date of this prospectus, the Company has entered into no negotiations or agreements relating to the acquisition of mineral properties which have (a) progressed to a state where a reasonable person would believe that the likelihood of the Company completing the acquisition is high, and (b) would be a significant acquisition for the purposes of Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations* if completed as of the date of this prospectus.

The board of directors of the Company has determined in good faith that \$100,000,000 is the maximum dollar value of securities that the Company reasonably expects to distribute within 25 months after the date of this prospectus and any applicable prospectus supplement and that the designated amount provides the Company with necessary flexibility to execute on its business strategy and manage its capital structure over that period, taking into account all possible issuances of securities thereunder.

Unless we otherwise indicate in a prospectus supplement, we currently intend to use the net proceeds from any sale of our Securities to advance business objectives outlined in this prospectus, any applicable prospectus supplement and the documents incorporated by reference therein, for working capital requirements and for exploration and development of the Company’s mineral property interests, including but not limited to the exploration and development of the Material Properties.

As the Company currently has no operating revenues, it experienced a negative operating cash flow for the year ended December 31, 2019 and the three months ended March 31, 2020, and it expects to experience a negative operating cash flow for the 2020 fiscal year. In order to raise additional funds to finance future growth opportunities, we may, from time to time, issue securities (including Debt Securities).

More detailed information regarding the use of proceeds from the sale of Securities, will be described in any applicable prospectus supplement. We may also, from time to time, issue securities otherwise than pursuant to a prospectus supplement to this prospectus.

#### **DIVIDEND POLICY**

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Common Shares, and does not currently have a policy with respect to the payment of dividends or other distributions. While there are no restrictions precluding the Company from paying dividends, it has no source of cash flow, and anticipates using all available cash resources toward its stated business objectives. As such, the Company does not anticipate the payment of dividends in the foreseeable future. At present, the Company’s policy is to retain earnings, if any, to finance its business operations. The payment of dividends in the future will depend upon, among other factors, the Company’s earnings, capital requirements and operating financial conditions.

#### **CONSOLIDATED CAPITALIZATION**

There have been no material changes in our consolidated share or debt capital since March 31, 2020, the date of our financial statements for the most recently completed financial period, other than the issuance and sale of 10,473,000 Doyon Units to Doyon for aggregate gross proceeds of \$2,094,600 (or US\$1,500,000), pursuant to the Doyon Investment. Information relating to any issuances of our Common Shares, and securities exercisable for or exchangeable into Common Shares, within the previous twelve month period will be provided as required in a prospectus supplement under the heading “Prior Sales”.

#### **PRIOR SALES**

Information in respect of our Common Shares that we issued within the previous 12-month period, including Common Shares that we issued upon the exercise of options granted under our stock option plan, and in respect of such options exercisable or convertible into Common Shares that we granted under our stock option plan, will be provided as required in a prospectus supplement with respect to the issuance of Securities pursuant to such prospectus supplement.

#### **TRADING PRICE AND VOLUME**

The Company’s Common Shares are listed and posted for trading on the TSXV under the symbol “TECT”. Trading price and volume of the Company’s securities will be provided as required for all of our Common Shares, as applicable, in each prospectus supplement to this prospectus.

## **EARNINGS COVERAGE**

If we offer Debt Securities having a term to maturity in excess of one year under this prospectus and any applicable prospectus supplement, the applicable prospectus supplement will include earnings coverage ratios giving effect to the issuance of such securities.

## **DESCRIPTION OF SHARE CAPITAL**

Our authorized share capital consists of an unlimited number of Common Shares. As of the date of this prospectus, we had 65,226,675 Common Shares issued and outstanding. In addition, as of the date of this prospectus, there were 26,493,830 Common Shares issuable upon the exercise of outstanding Common Share purchase warrants at a weighted average exercise price of \$0.43, for a total of 91,720,505 Common Shares on a fully-diluted basis.

### **Common Shares**

The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Common Shares are entitled to receive dividends as and when declared by the board of directors of the Company in respect of the Common Shares on a pro rata basis. There are no pre-emptive or conversion rights and no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds attached to the Common Shares. Provisions as to the creation, modification, amendment or variation of such rights or such provisions are contained in the *Business Corporations Act* (British Columbia) and the articles of the Company.

## **DESCRIPTION OF WARRANTS**

### **General**

This section describes the general terms that will apply to any Warrants for the purchase of Common Shares, or equity Warrants, or for the purchase of Debt Securities, or debt Warrants.

Warrants may be issued independently or together with other Securities, and Warrants sold with other securities may be attached to or separate from the other Securities. Warrants will be issued under one or more warrant agency agreements to be entered into by the Company and with one or more financial institutions or trust companies acting as warrant agent.

The Company will deliver an undertaking to the securities regulatory authority in each of the provinces of Canada that it will not distribute Warrants that, according to the aforementioned terms as described in the applicable prospectus supplement for Warrants supplementing this prospectus, are “novel” specified derivatives within the meaning of Canadian securities legislation, separately to any member of the public in Canada, unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction.

This summary of some of the provisions of the Warrants is not complete. The statements made in this prospectus relating to any Warrant agreement and Warrants to be issued under this prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement. You should refer to the warrant indenture or warrant agency agreement relating to the specific Warrants being offered for the complete terms of the Warrants. A copy of any warrant indenture or warrant agency agreement relating to an offering of Warrants will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically at [www.sedar.com](http://www.sedar.com).

The applicable prospectus supplement relating to any Warrants that we offer will describe the particular terms of those Warrants and include specific terms relating to the offering.

Original purchasers of Warrants (if offered separately) will have a contractual right of rescission against the Company in respect of the exercise of such Warrant. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the

underlying securities acquired upon exercise of the Warrant, the total of the amount paid on original purchase of the Warrant and the amount paid upon exercise, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the Warrant under the applicable prospectus supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the Warrant under the applicable prospectus supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

In an offering of Warrants, or other convertible securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Warrants, or other convertible securities, are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of such Securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

### **Equity Warrants**

The particular terms of each issue of equity Warrants will be described in the applicable prospectus supplement. This description will include, where applicable:

- the designation and aggregate number of equity Warrants;
- the price at which the equity Warrants will be offered;
- the currency or currencies in which the equity Warrants will be offered;
- the date on which the right to exercise the equity Warrants will commence and the date on which the right will expire;
- the number of Common Shares that may be purchased upon exercise of each equity warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each equity warrant;
- the terms of any provisions allowing or providing for adjustments in (i) the number and/or class of Common Shares that may be purchased, (ii) the exercise price per Common Share or (iii) the expiry of the equity Warrants;
- whether the Company will issue fractional shares;
- whether the Company has applied to list the equity Warrants or the underlying shares on a securities exchange or automated interdealer quotation system;
- the designation and terms of any securities with which the equity Warrants will be offered, if any, and the number of the equity Warrants that will be offered with each security;
- the date or dates, if any, on or after which the equity Warrants and the related securities will be transferable separately;
- whether the equity Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the equity Warrants; and
- any other material terms or conditions of the equity Warrants.

### **Debt Warrants**

The particular terms of each issue of debt Warrants will be described in the related prospectus supplement. This description will include, where applicable:

- the designation and aggregate number of debt Warrants;
- the price at which the debt Warrants will be offered;
- the currency or currencies in which the debt Warrants will be offered;
- the designation and terms of any securities with which the debt Warrants are being offered, if any, and the number of the debt Warrants that will be offered with each security;
- the date or dates, if any, on or after which the debt Warrants and the related securities will be transferable separately;
- the principal amount of Debt Securities that may be purchased upon exercise of each debt warrant and the price at which and currency or currencies in which that principal amount of Debt Securities may be purchased upon exercise of each debt warrant;
- the date on which the right to exercise the debt Warrants will commence and the date on which the right will expire;

- the minimum or maximum amount of debt Warrants that may be exercised at any one time;
- whether the debt Warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the debt Warrants; and
- any other material terms or conditions of the debt Warrants.

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

### **DESCRIPTION OF SHARE PURCHASE CONTRACTS**

Tectonic may issue share purchase contracts, representing contracts obligating holders to purchase from or sell to the Company, and obligating the Company to purchase from or sell to the holders, a specified number of Common Shares at a future date or dates, and including by way of instalment (in each case, a “**Share Purchase Contract**”).

The price per Common Share and the number of Common Shares may be fixed at the time the Share Purchase Contracts are issued or may be determined by reference to a specific formula or method set forth in the Share Purchase Contracts. Tectonic may issue Share Purchase Contracts in accordance with applicable laws and in such amounts and in as many distinct series as it may determine.

The Share Purchase Contracts may be issued separately or as part of units consisting of a Share Purchase Contract and beneficial interests in Debt Securities or debt obligations of third parties, securing the holders’ obligations to purchase the Common Shares under the Share Purchase Contracts, which are referred to in this prospectus as share purchase units. The Share Purchase Contracts may require Tectonic to make periodic payments to the holders of the share purchase units or vice versa, and these payments may be unsecured or refunded and may be paid on a current or on a deferred basis. The Share Purchase Contracts may require holders to secure their obligations under those contracts in a specified manner.

Holders of Share Purchase Contracts are not shareholders of Tectonic. The particular terms and provisions of Share Purchase Contracts offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the prospectus supplement filed in respect of such Share Purchase Contracts. This description will include, where applicable: (i) whether the Share Purchase Contracts obligate the holder to purchase or sell, or both purchase and sell, Common Shares and the nature and amount of those Securities, or the method of determining those amounts; (ii) whether the Share Purchase Contracts are to be prepaid or not or paid in instalments; (iii) any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied; (iv) whether the Share Purchase Contracts are to be settled by delivery, or by reference or linkage to the value or performance of Common Shares; (v) any acceleration, cancellation, termination or other provisions relating to the settlement of the Share Purchase Contracts; (vi) the date or dates on which the sale or purchase must be made, if any; (vii) whether the Share Purchase Contracts will be issued in fully registered or global form; (viii) the material income tax consequences of owning, holding and disposing of the Share Purchase Contracts; and (ix) any other material terms and conditions of the Share Purchase Contracts including, without limitation, transferability and adjustment terms and whether the Share Purchase Contracts will be listed on a securities exchange or automated interdealer quotation system.

Original purchasers of Share Purchase Contracts will be granted a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such Share Purchase Contract. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise, upon surrender of the underlying Securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable Security under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable Security under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

### **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

Tectonic may issue Subscription Receipts separately or in combination with one or more other Securities. The Subscription Receipts will entitle holders thereof to receive, upon satisfaction of certain release conditions and for no additional consideration, Common Shares, Warrants or any combination thereof. Subscription Receipts will be issued pursuant to one or more subscription receipt agreements

(each, a “**Subscription Receipt Agreement**”), each to be entered into between the Company and an escrow agent (the “**Escrow Agent**”) that will be named in the relevant prospectus supplement. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any Subscription Receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the Subscription Receipts sold to or through such underwriter or agent.

The following description sets forth certain general terms and provisions of Subscription Receipts that may be issued hereunder and is not intended to be complete. The statements made in this prospectus relating to any Subscription Receipt Agreement and Subscription Receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Subscription Receipt Agreement. Prospective investors should refer to the Subscription Receipt Agreement relating to the specific Subscription Receipts being offered for the complete terms of the Subscription Receipts. Tectonic will file a copy of any Subscription Receipt Agreement relating to an offering of Subscription Receipts with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and such Subscription Receipt Agreement will be available electronically at [www.sedar.com](http://www.sedar.com).

## General

The prospectus supplement and the Subscription Receipt Agreement for any Subscription Receipts that the Company may offer will describe the specific terms of the Subscription Receipts offered. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of Subscription Receipts being offered;
- the price at which the Subscription Receipts will be offered;
- the designation, number and terms of the Common Shares, Warrants or a combination thereof to be received by the holders of Subscription Receipts upon satisfaction of the release conditions, and any procedures that will result in the adjustment of those numbers;
- the conditions (the “**Release Conditions**”) that must be met in order for holders of Subscription Receipts to receive, for no additional consideration, the Common Shares, Warrants or a combination thereof;
- the procedures for the issuance and delivery of the Common Shares, Warrants or a combination thereof to holders of Subscription Receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of Subscription Receipts upon delivery of the Common Shares, Warrants or a combination thereof upon satisfaction of the Release Conditions;
- the identity of the Escrow Agent;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of Subscription Receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold Common Shares, Warrants or a combination thereof pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;
- if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- procedures for the refund by the Escrow Agent to holders of Subscription Receipts of all or a portion of the subscription price of their Subscription Receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of Subscription Receipts in the event that this prospectus, the prospectus supplement under which Subscription Receipts are issued or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of Tectonic to purchase the Subscription Receipts in the open market by private agreement or otherwise;
- whether the Company will issue the Subscription Receipts as Global Securities (as defined herein) and, if so, the identity of the depository for the Global Securities;
- whether the Company will issue the Subscription Receipts as bearer securities, as registered securities or both;

- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of the Subscription Receipts, including upon any subdivision, consolidation, reclassification or other material change of the Common Shares, Warrants or other Tectonic securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Company's assets or any distribution of property or rights to all or substantially all of the holders of Common Shares;
- whether the Company will apply to list the Subscription Receipts on a securities exchange or automated interdealer quotation system;
- material Canadian federal income tax consequences of owning the Subscription Receipts; and
- any other material terms or conditions of the Subscription Receipts.

Original purchasers of Subscription Receipts will have a contractual right of rescission against the Company in respect of the conversion of the Subscription Receipt. The contractual right of rescission will entitle such original purchasers to receive the amount paid on original purchase of the Subscription Receipt upon surrender of the underlying Securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion takes place within 180 days of the date of the purchase of the Subscription Receipt under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the Subscription Receipt under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

### **Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions**

The holders of Subscription Receipts will not be, and will not have the rights of, shareholders of Tectonic. Holders of Subscription Receipts are entitled only to receive Common Shares, Warrants or a combination thereof on exchange of their Subscription Receipts, plus any cash payments, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied. If the Release Conditions are not satisfied, holders of Subscription Receipts shall be entitled to a refund of all or a portion of the subscription price thereof and all or a portion of the pro rata share of interest earned or income generated thereon, as provided in the Subscription Receipt Agreement.

### **Escrow**

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to the Company (and, if the Subscription Receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive a refund of all or a portion of the subscription price for their Subscription Receipts, plus their pro rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement. Common Shares or Warrants may be held in escrow by the Escrow Agent and will be released to the holders of Subscription Receipts following satisfaction of the Release Conditions at the time and under the terms specified in the Subscription Receipt Agreement.

### **Modifications**

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the Subscription Receipts issued thereunder may be made by way of a resolution of holders of Subscription Receipts at a meeting of such holders or consent in writing from such holders. The number of holders of Subscription Receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement.

The Subscription Receipt Agreement will also specify that the Company may amend any Subscription Receipt Agreement and the Subscription Receipts, without the consent of the holders of the Subscription Receipts, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of the holders of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

## DESCRIPTION OF DEBT SECURITIES

The following description of the terms of Debt Securities sets forth certain general terms and provisions of Debt Securities in respect of which a prospectus supplement may be filed. The particular terms and provisions of Debt Securities offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the prospectus supplement filed in respect of such Debt Securities. Prospective investors should rely on information in the applicable prospectus supplement if it is different from the following information.

Debt Securities may be offered separately or in combination with one or more other Securities of the Company. The Company may, from time to time, issue Debt Securities and incur additional indebtedness other than through the issue of Debt Securities pursuant to this prospectus.

The Debt Securities will be issued under one or more indentures (each, a “**Trust Indenture**”), in each case between the Company and a financial institution or trust company organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee (each, a “**Trustee**”).

The following description sets forth certain general terms and provisions of the Debt Securities and is not intended to be complete. The particular terms and provisions of the Debt Securities and a description of how the general terms and provisions described below may apply to the Debt Securities will be included in the applicable prospectus supplement. The following description is subject to the detailed provisions of the applicable Trust Indenture. Accordingly, reference should also be made to the applicable Trust Indenture, a copy of which will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered into, and will be available electronically at [www.sedar.com](http://www.sedar.com).

### *General*

The applicable Trust Indenture will not limit the aggregate principal amount of Debt Securities that may be issued under such Trust Indenture and will not limit the amount of other indebtedness that the Company may incur. The applicable Trust Indenture will provide that the Company may issue Debt Securities from time to time in one or more series and may be denominated and payable in U.S. dollars, Canadian dollars or any foreign currency. Unless otherwise indicated in the applicable prospectus supplement, the Debt Securities will be unsecured obligations of the Company.

The Company may specify a maximum aggregate principal amount for the Debt Securities of any series and, unless otherwise provided in the applicable prospectus supplement, a series of Debt Securities may be reopened for issuance of additional Debt Securities of such series. The applicable Trust Indenture will also permit the Company to increase the principal amount of any series of the Debt Securities previously issued and to issue that increased principal amount.

Any prospectus supplement for Debt Securities supplementing this prospectus will contain the specific terms and other information with respect to the Debt Securities being offered thereby, including, but not limited to, the following:

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- the percentage of principal amount at which the Debt Securities will be issued;
- whether payment on the Debt Securities will be senior or subordinated to other liabilities or obligations of the Company;
- whether the payment of the Debt Securities will be guaranteed by any other person;
- the date or dates, or the methods by which such dates will be determined or extended, on which the Company may issue the Debt Securities and the date or dates, or the methods by which such dates will be determined or extended, on which the Company will pay the principal and any premium on the Debt Securities and the portion (if less than the principal amount) of Debt Securities to be payable upon a declaration of acceleration of maturity;
- whether the Debt Securities will bear interest, the interest rate (whether fixed or variable) or the method of determining the interest rate, the date from which interest will accrue, the dates on which the Company will pay interest and the record dates for interest payments, or the methods by which such dates will be determined or extended;
- the place or places the Company will pay principal, premium, if any, and interest, if any, and the place or places where Debt Securities can be presented for registration of transfer or exchange;

- whether and under what circumstances the Company will be required to pay any additional amounts for withholding or deduction for Canadian taxes with respect to the Debt Securities, and whether and on what terms the Company will have the option to redeem the Debt Securities rather than pay the additional amounts;
- whether the Company will be obligated to redeem or repurchase the Debt Securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder, and the terms and conditions of such redemption;
- whether the Company may redeem the Debt Securities at its option and the terms and conditions of any such redemption;
- the denominations in which the Company will issue any registered and unregistered Debt Securities;
- the currency or currency units for which Debt Securities may be purchased and the currency or currency units in which the principal and any interest is payable (in either case, if other than Canadian dollars) or if payments on the Debt Securities will be made by delivery of Common Shares or other property;
- whether payments on the Debt Securities will be payable with reference to any index or formula;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the Debt Securities, any payment of any interest on such Debt Securities or any repayment of the principal owing upon the maturity of such Debt Securities through the issuance of Securities of the Company or of any other entity, and any restriction(s) on the persons to whom such Securities may be issued;
- whether the Debt Securities will be issued as Global Securities and, if so, the identity of the depositary for the Global Securities;
- whether the Debt Securities will be issued as unregistered Securities (with or without coupons), registered Securities or both;
- the periods within which and the terms and conditions, if any, upon which the Company may redeem the Debt Securities prior to maturity and the price or prices of which, and the currency or currency units in which, the Debt Securities are payable;
- any events of default or covenants applicable to the Debt Securities;
- any terms under which Debt Securities may be defeased, whether at or prior to maturity;
- whether the holders of any series of Debt Securities have special rights if specified events occur;
- any mandatory or optional redemption or sinking fund or analogous provisions;
- the terms, if any, for any conversion or exchange of the Debt Securities for any other Securities;
- rights, if any, on a change of control;
- provisions as to modification, amendment or variation of any rights or terms attaching to the Debt Securities;
- the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- whether the Company will undertake to list the Debt Securities of the series on any securities exchange or automated interdealer quotation system; and
- any other terms, conditions, rights and preferences (or limitations on such rights and preferences) including covenants and events of default which apply solely to a particular series of the Debt Securities being offered which do not apply generally to other Debt Securities, or any covenants or events of default generally applicable to the Debt Securities which do not apply to a particular series of the Debt Securities.

The Company reserves the right to include in a prospectus supplement specific terms pertaining to the Debt Securities which are not within the options and parameters set forth in this prospectus. In addition, to the extent that any particular terms of the Debt Securities described in a prospectus supplement differ from any of the terms described in this prospectus, the description of such terms set forth in this prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such prospectus supplement with respect to such Debt Securities.

Unless stated otherwise in the applicable prospectus supplement, no holder of Debt Securities will have the right to require the Company to repurchase the Debt Securities and there will be no increase in the interest rate if the Company becomes involved in a highly leveraged transaction or has a change of control.

The Company may issue Debt Securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance and offer and sell these Securities at a discount below their stated principal amount. The Company may also sell any of the Debt Securities for a foreign currency or currency unit, and payments on the Debt Securities may be payable in a foreign currency or currency unit. In any of these cases, the Company will describe certain Canadian federal income tax consequences and other special considerations in the applicable prospectus supplement.

Unless otherwise indicated in the applicable prospectus supplement, the Company may issue Debt Securities with terms different from those of Debt Securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of Debt Securities and issue additional Debt Securities of such series.

## **Ranking and Other Indebtedness**

Unless otherwise indicated in an applicable prospectus supplement, the Debt Securities will be direct unsecured obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the applicable prospectus supplement. If the Debt Securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Company from time to time issued and outstanding which is not subordinated. If the Debt Securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Company as described in the applicable prospectus supplement, and they will rank equally and rateably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable prospectus supplement. The Company reserves the right to specify in a prospectus supplement whether a particular series of subordinated Debt Securities is subordinated to any other series of subordinated Debt Securities.

The Company's board of directors may establish the extent and manner, if any, to which payment on or in respect of a series of Debt Securities will be senior or will be subordinated to the prior payment of our other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed by any other person and the nature and priority of any Security.

## **Registration of Debt Securities**

### ***Debt Securities in Book Entry Form***

Unless otherwise indicated in an applicable prospectus supplement, Debt Securities of any series may be issued in whole or in part in the form of one or more global Securities ("**Global Securities**") registered in the name of a designated clearing agency (a "**Depository**") or its nominee and held by or on behalf of the Depository in accordance with the terms of the applicable Trust Indenture. The specific terms of the depository arrangement with respect to any portion of a series of Debt Securities to be represented by a Global Security will, to the extent not described herein, be described in the prospectus supplement relating to such series. The Company anticipates that the provisions described in this section will apply to all depository arrangements.

Upon the issuance of a Global Security, the Depository or its nominee will credit, in its book-entry and registration system, the respective principal amounts of the Debt Securities represented by the Global Security to the accounts of such participants that have accounts with the Depository or its nominee ("**Participants**"). Such accounts are typically designated by the underwriters, dealers or agents participating in the distribution of the Debt Securities or by the Company if such Debt Securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depository or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by Participants or persons that hold through Participants.

So long as the Depository for a Global Security, or its nominee, is the registered owner of such Global Security, such Depository or such nominee, as the case may be, will be considered the sole owner or holder of the Debt Securities represented by such Global Security for all purposes under the applicable Trust Indenture and payments of principal, premium, if any, and interest, if any, on the Debt Securities represented by a Global Security will be made by the Company to the Depository or its nominee. The Company expects that the Depository or its nominee, upon receipt of any payment of principal, premium, if any, or interest, if any, will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown on the records of such Depository or its nominee. The Company also expects that payments by Participants to owners of beneficial interests in a Global Security held through such Participants will be governed by standing instructions and customary practices and will be the responsibility of such Participants.

Conveyance of notices and other communications by the Depository to direct Participants, by direct Participants to indirect Participants and by direct and indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of Debt Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Debt Securities, such as redemptions, tenders, defaults and proposed amendments to the Trust Indenture.

Owners of beneficial interests in a Global Security will not be entitled to have the Debt Securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of such Debt Securities in certificated non-book-

entry form, and will not be considered the owners or holders thereof under the applicable Trust Indenture, and the ability of a holder to pledge a Debt Security or otherwise take action with respect to such holder's interest in a Debt Security (other than through a Participant) may be limited due to the lack of a physical certificate.

No Global Security may be exchanged in whole or in part for Debt Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the Depository for such Global Security or any nominee of such Depository unless: (i) the Depository is no longer willing or able to discharge properly its responsibilities as depository and the Company is unable to locate a qualified successor; (ii) the Company at its option elects, or is required by law, to terminate the book-entry system through the Depository or the book-entry system ceases to exist; or (iii) if provided for in the Trust Indenture, after the occurrence of an event of default thereunder (provided the Trustee has not waived the event of default in accordance with the terms of the Trust Indenture), Participants acting on behalf of beneficial holders representing, in aggregate, a threshold percentage of the aggregate principal amount of the Debt Securities then outstanding advise the Depository in writing that the continuation of a book-entry system through the Depository is no longer in their best interest.

If one of the foregoing events occurs, such Global Security shall be exchanged for certificated non-book-entry Debt Securities of the same series in an aggregate principal amount equal to the principal amount of such Global Security and registered in such names and denominations as the Depository may direct.

The Company, any underwriters, dealers or agents and any Trustee identified in an accompanying prospectus supplement, as applicable, will not have any liability or responsibility for (i) records maintained by the Depository relating to beneficial ownership interests in the Debt Securities held by the Depository or the book-entry accounts maintained by the Depository, (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests, or (iii) any advice or representation made by or with respect to the Depository and contained in this prospectus or in any prospectus supplement or Trust Indenture with respect to the rules and regulations of the Depository or at the direction of Depository Participants.

Unless otherwise stated in the applicable prospectus supplement, CDS Clearing and Depository Services Inc. or its successor will act as Depository for any Debt Securities represented by a Global Security.

#### ***Debt Securities in Certificated Form***

A series of the Debt Securities may be issued in definitive form, solely as registered Securities, solely as unregistered Securities or as both registered Securities and unregistered Securities. Unless otherwise indicated in the applicable prospectus supplement, unregistered Securities will have interest coupons attached.

In the event that the Debt Securities are issued in certificated non-book-entry form, and unless otherwise indicated in the applicable prospectus supplement, payment of principal, premium, if any, and interest, if any, on the Debt Securities (other than a Global Security) will be made at the office or agency of the Trustee or, at the option of the Company, by the Company by way of cheque mailed or delivered to the address of the person entitled at the address appearing in the Security register of the Trustee or electronic funds wire or other transmission to an account of the person entitled to receive such payments. Unless otherwise indicated in the applicable prospectus supplement, payment of interest, if any, will be made to the persons in whose name the Debt Securities are registered at the close of business on the day or days specified by the Company.

At the option of the holder of Debt Securities, registered Securities of any series will be exchangeable for other registered Securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor. If, but only if, provided in an applicable prospectus supplement, unregistered Securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. In such event, unregistered Securities surrendered in a permitted exchange for registered Securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered Security issued in exchange for such unregistered Security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Trust Indenture. Unless otherwise specified in an applicable prospectus supplement, unregistered Securities will not be issued in exchange for registered Securities.

The applicable prospectus supplement may indicate the places to register a transfer of the Debt Securities in definitive form. Except for certain restrictions to be set forth in the Trust Indenture, no service charge will be payable by the holder for any registration of transfer or exchange of the Debt Securities in definitive form, but the Company may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

### DESCRIPTION OF UNITS

Tectonic may issue units, which may consist of one or more Common Shares, Warrants or any combination of Securities as is specified in the relevant prospectus supplement. In addition, the relevant prospectus supplement relating to an offering of Units will describe all material terms of any Units offered, including, as applicable:

- the designation and aggregate number of Units being offered;
- the price at which the Units will be offered;
- the designation, number and terms of the Securities comprising the Units and any agreement governing the Units;
- the date or dates, if any, on or after which the Securities comprising the Units will be transferable separately;
- whether the Company will apply to list the Units on a Securities exchange or automated interdealer quotation system;
- material Canadian federal income tax consequences of owning the Units, including how the purchase price paid for the Units will be allocated among the Securities comprising the Units; and
- any other material terms or conditions of the Units.

**The foregoing summary of certain of the principal provisions of the Securities is a summary of anticipated terms and conditions only and is qualified in its entirety by the description in the applicable prospectus supplement under which any Securities are being offered.**

### CERTAIN INCOME TAX CONSIDERATIONS

The applicable prospectus supplement may describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada or to an investor who is a resident of Canada of acquiring, owning and disposing of any of our Securities offered thereunder. Investors should read the tax discussion in any prospectus supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances.

### PLAN OF DISTRIBUTION

The Company may issue Securities offered by this prospectus for cash or other consideration (i) to or through underwriters, dealers, placement agents or other intermediaries, (ii) directly to one or more purchasers or (iii) in connection with acquisitions of assets or shares or another entity or company.

Each prospectus supplement with respect to our Securities being offered will set forth the terms of the offering, including:

- the name or names of any underwriters, dealers or other placement agents;
- the number and the purchase price of, and form of consideration for, the Securities;
- the proceeds to the Company from such sale; and
- any commissions, fees, discounts and other items constituting underwriters', dealers' or agents' compensation.

Our Securities may be sold, from time to time, in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market price or at negotiated prices, including sales in transactions that are deemed to be "at the market distributions" as defined in National Instrument 44-102 - *Shelf Distributions*, including sales made directly on the TSXV or other existing trading markets for the Securities. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a *bona fide* effort to sell all of the Securities at the initial offering price fixed in the applicable prospectus supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial offering price fixed in such prospectus supplement, in which case the compensation realized by the underwriters will be

decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Company.

Only underwriters named in the prospectus supplement are deemed to be underwriters in connection with our Securities offered by that prospectus supplement.

The Company may agree to pay the underwriters or agents a commission for various services relating to the issue and sale of any Securities offered hereby. Where the Company pays such commission, it will be paid out of the general corporate funds of the Company.

Under agreements which may be entered into by us, underwriters, dealers and agents who participate in the distribution of our Securities may be entitled to indemnification by us against certain liabilities, including liabilities under the U.S. Securities Act and applicable Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. The underwriters, dealers and agents with whom we enter into agreements may be customers of, engage in transactions with, or perform services for, us in the ordinary course of business.

No underwriter or dealer involved in an “at the market distribution” as defined under applicable Canadian securities legislation, no affiliate of such underwriter or dealer and no person acting jointly or in concert with such underwriter or dealer has over-allotted, or will over allot, our Securities in connection with an offering of our Securities or effect any other transactions that are intended to stabilize the market price of our Securities.

In connection with any offering of our Securities, other than an “at the market distribution”, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of our Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Unless otherwise specified in the applicable prospectus supplement, the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered in the United States or to or for the account or benefit of a U.S. person as defined in Regulation S under the U.S. Securities Act, except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state laws, including transactions under Rule 144A under the U.S. Securities Act. If underwriters or dealers purchase Securities as principal, the underwriters or dealers will severally agree that they will not offer or sell the Securities in the United States, except that the underwriters or dealers may arrange for the offer and sale of the Securities to “qualified institutional buyers” in the United States pursuant to Rule 144A under the U.S. Securities Act.

In addition, until 40 days after the commencement of any offering of the Securities, an offer or sale of the Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

#### **AGENT FOR SERVICE OF PROCESS**

Curt Freeman, director of the Company, resides outside of Canada and has appointed the following agent for service of process in Canada:

<u>Name of Person</u>	<u>Name and Address of Agent</u>
Curt Freeman	Tectonic Metals Inc. Suite 312, 744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or that resides outside of Canada, even if the party has appointed an agent for service of process.

## LEGAL MATTERS

Certain legal matters related to our Securities offered by this prospectus will be passed upon on our behalf by Blake, Cassels & Graydon LLP, with respect to matters of Canadian law. The partners and associates of Blake, Cassels & Graydon LLP as a group beneficially own, directly or indirectly, less than one percent of the outstanding Securities of the Company.

## INTEREST OF EXPERTS

The NI 43-101 technical reports titled “Amended and Restated NI 43-101 Technical Report, Tibbs Property, Alaska, United States of America”, dated effective as of October 31, 2019 (“**Tibbs Technical Report**”) in respect of the Tibbs Property and the “Amended and Restated NI 43-101 Technical Report, Technical Report on the Seventymile Property, Alaska Eagle District, Alaska, United States of America”, dated effective as of October 31, 2019 (“**Seventymile Technical Report**”), and together with the Tibbs Technical Report, the “**Technical Reports**”) in respect of the Seventymile Property have been filed with the Canadian securities regulatory authorities and is available electronically on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Reference should be made to the full text of the Tibbs Technical Report and Seventymile Technical Report for a complete description of the assumptions, qualifications, references, reliances, and procedures associated with the information therein.

Information of a scientific or technical nature in the Tibbs Technical Report, with an effective date of October 31, 2019, was prepared by Carl Schulze, P.Geo., of Aurora Geosciences Ltd., who is an independent “qualified person” under NI 43-101.

Information of a scientific or technical nature in the Seventymile Technical Report, with an effective date of October 31, 2019, was prepared by Carl Schulze, P.Geo., of Aurora Geosciences Ltd., who is an independent “qualified person” under NI 43-101.

To the best of the Company’s knowledge, after reasonable inquiry, as of the date hereof, the Carl Schulze and his firm do not beneficially own, directly or indirectly, any Common Shares.

Information of a scientific or technical nature relating to the assay results at the Tibbs Property contained in the AIF has been reviewed and approved by Eric Buitenhuis, M.Sc., P.Geo., the Company’s Vice President of Exploration who is a “qualified person” for the purposes of NI 43-101. As at the date hereof, Eric Buitenhuis, beneficially owns, directly or indirectly, in the aggregate 1.73% of the issued and outstanding

Common Shares of the Company. Mr. Buitenhuis is currently an employee and officer of the Company, but is not currently expected to be elected, appointed or employed as a director of the Company or of an associate of affiliate of the Company.

The Company’s auditors are Davidson & Company LLP (“**Davidson**”), who have prepared an independent auditor’s report dated March 12, 2020 in respect of the Company’s consolidated financial statements for the year ended December 31, 2019. Davidson has advised that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

## AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of the Company are Davidson, of Vancouver, British Columbia. Davidson is independent from the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

The registrar and transfer agent for the Common Shares is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

## WHERE YOU CAN FIND MORE INFORMATION

We are required to file with the securities commission or authority in each of the provinces of British Columbia, Alberta and Ontario and the territory of the Yukon, annual and quarterly reports, material change reports and other information.

You may read any document we file with or furnish to the securities commissions and authorities of the provinces of British Columbia, Alberta and Ontario and the territory of the Yukon through SEDAR at [www.sedar.com](http://www.sedar.com).

### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase Securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus or a prospectus supplement relating to the Securities purchased by a purchaser and any amendments thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus or a prospectus supplement relating to the Securities purchased by a purchaser and any amendments thereto contain a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

In an offering of Warrants, or other convertible, exchangeable or exercisable Securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Warrants, or other convertible, exchangeable or exercisable Securities, are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of such Securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

**CERTIFICATE OF TECTONIC METALS INC.**

Dated: May 29, 2020

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true, and plain disclosure of all material facts relating to the Securities offered by this prospectus as required by the securities legislation in each of the provinces of British Columbia, Alberta and Ontario and the territory of the Yukon.

(Signed) “Antonio Reda”  
Chief Executive Officer

(Signed) “Krysta Chapman”  
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) “Allison Rippin Armstrong”  
Director

(Signed) “Michael Roper”  
Director